

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

*Decatur-Hamilton Joint Fire Department*  
*Van Buren County*  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
*Year ended June 30, 2004*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

## **Decatur-Hamilton Joint Fire Department MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the Decatur-Hamilton Joint Fire Department's (the Department) financial performance provides a narrative overview of the Department's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the Department's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Department's total net assets increased by \$40,557 (5 percent) as a result of this year's activities.
- Of the \$754,916 total net assets reported, \$167,442 is unrestricted, or available to be used at the Department's discretion.
- The Operating Fund's fund balance at the end of the fiscal year was \$167,442, which represents 54 percent of the actual total Operating Fund expenditures for the current fiscal year.

### **Overview of the financial statements**

The Department's basic financial statements are comprised of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Department:

- The statement of net assets and the statement of activities are government-wide financial statements that provide both long-term and short-term information about the Department's overall financial status.
- The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance are fund financial statements that tell how general government services, like public safety, were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Because this is the first year of this reporting format, a comparative analysis of the basic financial statements was not practicable. Comparative analyses of the basic financial statements will be made in subsequent years.

### **Government-wide financial statements**

The government-wide financial statements report information about the Department as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Department's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the Department's net assets and how they have changed. Net assets (the difference between the Department's assets and liabilities) is one way to measure the Department's financial health, or position.

**Decatur-Hamilton Joint Fire Department**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Government-wide financial statements (continued)**

- Over time, increases or decreases in the Department's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Department, consideration must be given to additional non-financial factors such as changes in the Department's intergovernmental support and the condition of the Department's capital assets.

The government-wide financial statements are shown in a single category, since the Department provides one basic governmental service - fire protection.

**Fund financial statements**

The fund financial statements provide more detailed information about the Department's sole fund - not the Department as a whole. Funds are accounting devices that the Department uses to keep track of specific sources of funding and spending for particular purposes.

The Department has one fund, which focuses on (1) how cash, and other financial assets that can be readily converted to cash, flow in and out and, (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explain the relationship between them.

**FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE**

**Net Assets.** Total net assets at the end of the fiscal year were \$754,916, an increase of 5 percent compared to the prior year. Of this total, \$587,474 is invested in capital assets. Consequently, unrestricted net assets were \$167,442, or 22 percent of the total.

*Condensed financial information*  
*Net Assets*

Current assets	\$ 172,178
Capital assets	<u>587,474</u>
Total assets	<u>759,652</u>
Current liabilities	<u>4,736</u>
Net assets:	
Invested in capital assets	587,474
Unrestricted	<u>167,442</u>
Total net assets	<u>\$ 754,916</u>

**Decatur-Hamilton Joint Fire Department  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE (Continued)**

**Changes in net assets.** The Department's total revenues are \$187,039. Over 98 percent of the Department's revenues come from intergovernmental support.

*Condensed financial information  
Changes in Net Assets*

Program revenues:	
Intergovernmental support	\$ 183,382
Other	<u>3,657</u>
Total program revenues	<u>187,039</u>
Expenses:	
Public safety - fire protection	<u>146,482</u>
Increase in net assets	<u>\$ 40,557</u>

**Governmental activities**

Governmental activities increased the Department's net assets by \$40,557. Key factors for this increase are as follows:

- Operating costs, exclusive of depreciation, should approximate 80% of intergovernmental support, or \$146,700. To the extent such costs are below the targeted 80%, there will be an increase in net assets. In 2004, operating costs, exclusive of depreciation, were significantly below the targeted 80%, thus generating an operating surplus.
- The remaining 20% of support, or \$36,700, is intended to fund capital asset costs. To the extent annual provision for depreciation is less than the remaining support, there will be an increase in net assets. The 2004 provision for depreciation approximated the remaining 20% of support.

**FINANCIAL ANALYSIS OF THE DEPARTMENT'S FUND**

**Governmental fund**

As of the end of the current fiscal year, the Department's sole governmental fund reported a fund balance of \$167,442, a decrease of \$121,720, in comparison with the prior year. This decrease was primarily the net result of a deficiency of intergovernmental support intended for capital asset costs (\$36,700) over capital outlays (\$199,793) and an excess of intergovernmental support intended for operating costs (\$146,700) over operating expenditures \$108,966). The Department used its beginning of year fund balance to finance the current year decrease of \$121,720.

The entire fund balance at year end is available for spending at the Department's discretion.

**Decatur-Hamilton Joint Fire Department  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Operating fund budgetary highlights**

There were no budget amendments during 2004. Actual revenues were nearly identical to their budgeted amounts, and except for capital outlays, there were no significant variances between the budgeted and actual expenditures. Costs to outfit the new fire truck were less than expected.

The Operating Fund is the only fund of the Department. At the end of the fiscal year, unreserved fund balance was \$167,442, which represents 54 percent of the actual total Operating Fund expenditures for the current fiscal year.

**Capital assets**

The Department's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$587,474 (net of accumulated depreciation). This investment includes various assets including vehicles, fire fighting equipment, and building. The increase in the Department's net investment in capital assets for the current fiscal year was \$162,277.

Major capital asset events during the current fiscal year included the acquisition of a 2004 Sterling fire truck for \$180,871.

More detailed information about the Department's capital assets is presented in Note 4 of the notes to the basic financial statements.

**Economic condition and outlook**

The Department's Operating Fund budget for the next year projects no increase in spending. A stagnant economy and no substantial revenue increase require that the Department maintain conservative expenditure trends.

**Contacting the Department's financial management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Department's finances and to demonstrate the Department's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Jim Creagan, Treasurer  
Decatur-Hamilton Joint Fire Board  
124 Phelps Street  
P.O. Box 5  
Decatur, MI 49045

Phone: (269) 423-7014



## INDEPENDENT AUDITORS' REPORT

**Members of the Board  
Decatur-Hamilton Joint Fire Department**

We have audited the accompanying financial statements of the governmental activities and the major fund of Decatur-Hamilton Joint Fire Department, (the Department) as of June 30, 2004, and for the year then ended, which collectively comprise the Department's financial statements, as listed in the contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the respective financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Decatur-Hamilton Fire Department as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 6, the Decatur-Hamilton Joint Fire Department has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of July 1, 2003.

The management discussion and analysis, on pages i - iv, and the budgetary comparison schedule, on page 10, are not a required part of the basic financial statements of the Decatur-Hamilton Fire Department, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the method of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Siegfried Crandall P.C.*

March 31, 2005

## **BASIC FINANCIAL STATEMENTS**

**Decatur-Hamilton Fire Department****GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS**

June 30, 2004

	<u>Operating Fund</u>	<u>Adjustments</u>	<u>Statement of net assets</u>
<b>ASSETS</b>			
Cash	\$ 154,178	\$ -	\$ 154,178
Prepaid insurance	18,000	-	18,000
Fixed assets (net)	<u>-</u>	<u>587,474</u>	<u>587,474</u>
Total assets	<u>\$ 172,178</u>	<u>\$ 587,474</u>	<u>\$ 759,652</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,736	\$ -	\$ 4,736
<b>FUND BALANCE</b>			
Fund balance - unreserved, undesignated	<u>167,442</u>	<u>(167,442)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 172,178</u>		
<b>NET ASSETS</b>			
Investment in capital assets		587,474	587,474
Unrestricted		<u>167,442</u>	<u>167,442</u>
Total net assets		<u>\$ 754,916</u>	<u>\$ 754,916</u>
Operating Fund balance			\$ 167,442
Amounts reported in the statement of net assets are different because:			
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the fund.			<u>587,474</u>
Net assets of <i>governmental activities</i>			<u>\$ 754,916</u>

See notes to financial statements

**Decatur-Hamilton Fire Department****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE/STATEMENT OF ACTIVITIES***Year ended June 30, 2004*

	<u>Operating Fund</u>	<u>Adjustments</u>	<u>Statement of activities</u>
<b>EXPENDITURES/EXPENSES</b>			
Fire protection - operations	\$ 108,966	\$ 37,516	\$ 146,482
Capital outlays	<u>199,793</u>	<u>(199,793)</u>	<u>-</u>
Total expenditures	<u>308,759</u>	<u>(162,277)</u>	<u>146,482</u>
<b>PROGRAM REVENUES</b>			
Intergovernmental charges:			
Decatur Township	114,282	-	114,282
Hamilton Township	<u>69,100</u>	<u>-</u>	<u>69,100</u>
Total intergovernmental charges	183,382	-	183,382
Other	<u>3,657</u>	<u>-</u>	<u>3,657</u>
Total program revenues	<u>187,039</u>	<u>-</u>	<u>187,039</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(121,720)	121,720	-
<b>CHANGE IN NET ASSETS</b>	-	40,557	40,557
<b>FUND BALANCE/NET ASSETS - BEGINNING</b>	<u>289,162</u>	<u>425,197</u>	<u>714,359</u>
<b>FUND BALANCE/NET ASSETS - ENDING</b>	<u>\$ 167,442</u>	<u>\$ 587,474</u>	<u>\$ 754,916</u>
Net change in fund balance			\$ (121,720)
Amounts reported in the statement of activity are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$199,792) exceeded depreciation (\$37,516) in the current period.			<u>162,277</u>
Change in net assets			<u>\$ 40,557</u>

*See notes to financial statements*

**Decatur-Hamilton Joint Fire Department**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Decatur-Hamilton Joint Fire Department (the Department) conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Department. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Department has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Department's financial statements. Also, the Department is not a component unit of any other entity.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all activities of the Department. Currently, all activities of the Department are classified as governmental activities, primarily supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental support and other items not properly included among program revenues are reported instead as general revenue.

Financial statements are provided for the sole governmental fund as a separate column in the basic financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues are recognized in the year for which they intended. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**Decatur-Hamilton Joint Fire Department**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*

However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The government reports a single major governmental fund, the Operating Fund, which accounts for all financial resources of the Department.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all intergovernmental support.

*d) Assets, liabilities, and net assets or equity:*

*i) Bank deposits* - Cash consists of demand deposits and savings accounts.

*ii) Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

*iii) Capital assets* - capital assets, which consists of vehicles and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Building and improvements	40 years
Vehicles	15 - 20 years
Equipment	5 - 15 years

*iv) Fund equity* - In the fund financial statements, the Operating Fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Decatur-Hamilton Joint Fire Department**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

Budgetary information - An annual budget is adopted on a basis consistent with generally accepted accounting principles for the Operating Fund. The budget document presents information by function and line items. The legal level of budgetary control adopted by the governing body is the line item level. Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

**NOTE 3 - CASH:**

Deposits are carried at cost and are maintained at various financial institutions in the name of the Department. Michigan Compiled Laws, Section 129.91, authorizes the Department to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Department's deposits are in accordance with statutory authority. At June 30, 2004, the Department has deposits with a carrying amount of \$153,178 and a bank balance of \$158,612. The total bank balance is covered by federal depository insurance.

**NOTE 4 - CAPITAL ASSETS:**

Capital asset activity of the Department for the current year was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Capital assets being depreciated:				
Building	\$ 144,000	\$ 6,475	\$ -	\$ 150,475
Vehicles	446,059	180,871	-	626,930
Equipment	<u>136,609</u>	<u>12,447</u>	<u>-</u>	<u>149,056</u>
Total capital assets being depreciated	<u>726,668</u>	<u>199,793</u>	<u>-</u>	<u>926,461</u>
Less accumulated depreciation for:				
Building	60,900	3,655	-	64,555
Vehicles	189,654	24,814	-	214,468
Equipment	<u>66,917</u>	<u>9,047</u>	<u>-</u>	<u>75,964</u>
Total accumulated depreciation	<u>317,471</u>	<u>37,516</u>	<u>-</u>	<u>354,987</u>
Capital assets being depreciated, net	<u>409,197</u>	<u>162,277</u>	<u>-</u>	<u>571,474</u>
Capital assets not being depreciated - land	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>
Capital assets, net	<u>425,197</u>	<u>162,277</u>	<u>-</u>	<u>587,474</u>

**Decatur-Hamilton Joint Fire Department**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 5 - CLAIMS ARISING FROM RISKS OF LOSS:**

The Department is exposed to various risks of loss due to general liability, property and casualty, and workers' compensation potential claims. The risks of loss arising from general liability up to \$1,000,000 aggregate, building contents and property damage, and workers' compensation coverage are managed through purchased commercial insurance.

**NOTE 6 - CHANGE IN ACCOUNTING PRINCIPLES:**

Effective July 1, 2003, the Department implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Net assets as of July 1, 2003:

As previously reported - Operating Fund	\$ 289,162
Increase for capital assets, net of accumulated depreciation	<u>425,197</u>
As restated	<u>\$ 714,359</u>



## **REQUIRED SUPPLEMENTARY INFORMATION**

**Decatur-Hamilton Fire Department**  
**BUDGETARY COMPARISON SCHEDULE - Operating Fund**  
Year ended June 30, 2004

	<u>Original (and amended) budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental support:			
Decatur Township	\$ 114,402	\$ 114,282	\$ (120)
Hamilton Township	69,100	69,100	-
Total intergovernmental support	183,502	183,382	(120)
Interest and rentals	2,000	1,312	(688)
Other	1,000	2,345	1,345
Total revenues	186,502	187,039	537
<b>EXPENDITURES</b>			
Fire protection:			
Repairs and maintenance:			
Vehicle	18,000	18,736	(736)
Building	20,442	11,448	8,994
Equipment	2,000	4,236	(2,236)
Communications	4,000	3,791	209
Small equipment purchases	17,800	17,599	201
Insurance	20,000	15,899	4,101
Supplies	8,424	9,789	(1,365)
Contract services	6,000	6,500	(500)
Utilities	5,000	5,140	(140)
Salaries	6,150	4,400	1,750
Transportation	3,000	3,952	(952)
Fuel	3,000	2,812	188
Audit	3,000	2,600	400
Telephone	2,500	2,064	436
Professional fees	1,500	-	1,500
Total fire protection	120,816	108,966	11,850
Capital outlays	218,334	199,793	18,541
Total expenditures	339,150	308,759	30,391
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(152,648)	(121,720)	30,928
<b>FUND BALANCES - BEGINNING</b>	289,162	289,162	-
<b>FUND BALANCES - ENDING</b>	\$ 136,514	\$ 167,442	\$ 30,928